

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6285

BILL NUMBER: HB 1132

NOTE PREPARED: Apr 8, 2011

BILL AMENDED: Apr 7, 2011

SUBJECT: Farm Wineries and Direct Wine Sellers.

FIRST AUTHOR: Rep. Koch

FIRST SPONSOR: Sen. Steele

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill requires the Alcohol and Tobacco Commission to submit a report, not later than November 1, 2011, to the General Assembly concerning direct wine shipment to consumers in Indiana. It removes provisions concerning certain requirements for applicants of direct wine seller's permits. The bill allows a direct wine seller to ship directly to a consumer in Indiana only wine manufactured, produced, or bottled by the seller.

The bill increases the number of days that a holder of a farm winery permit may participate in a trade show or an exposition with the approval of the Alcohol and Tobacco Commission from 30 days to 45 days in a calendar year. It also provides that the provisions concerning microbreweries apply to breweries that manufacture not more than 30,000 barrels of beer. (Under current law, the provisions apply to breweries that manufacture not more than 20,000 barrels of beer.).

Effective Date: July 1, 2011.

Explanation of State Expenditures: *Alcohol and Tobacco Commission (ATC):* This bill requires the ATC to submit a report, not later than November 1, 2011, to the General Assembly concerning the viability and efficacy of instituting a policy to permit direct wine shipment to consumers in Indiana. The ATC's current level of resources is sufficient to implement this provision.

Explanation of State Revenues: (Revised) *Permit Fee Revenue:* This bill could decrease permit fee revenue by an indeterminable amount. Any impact on revenue is expected to be minimal. Under current statute, the annual fee for a brewer's permit for a small brewer (less than 20,000 barrels of beer manufactured per year) is \$500 and the annual fee for a large brewer (more than 20,000 barrels of beer manufactured per year) is \$2,000. This bill changes the annual barrel threshold to 30,000 barrels. The ATC reports that there are

approximately 40 small brewer permits and no large brewer permits issued.

Revenue from brewer permit fees is distributed 66 % to the General Fund and 34 % to the Enforcement and Administration Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: ATC.

Local Agencies Affected:

Information Sources: Ed Dunsmore, ATC, 317-232-2472; ATC Permit Counts, October 27th, 2010.

Fiscal Analyst: Diana Agidi, 317-232-9867.